



Statistical Annex

Land Transaction Tax

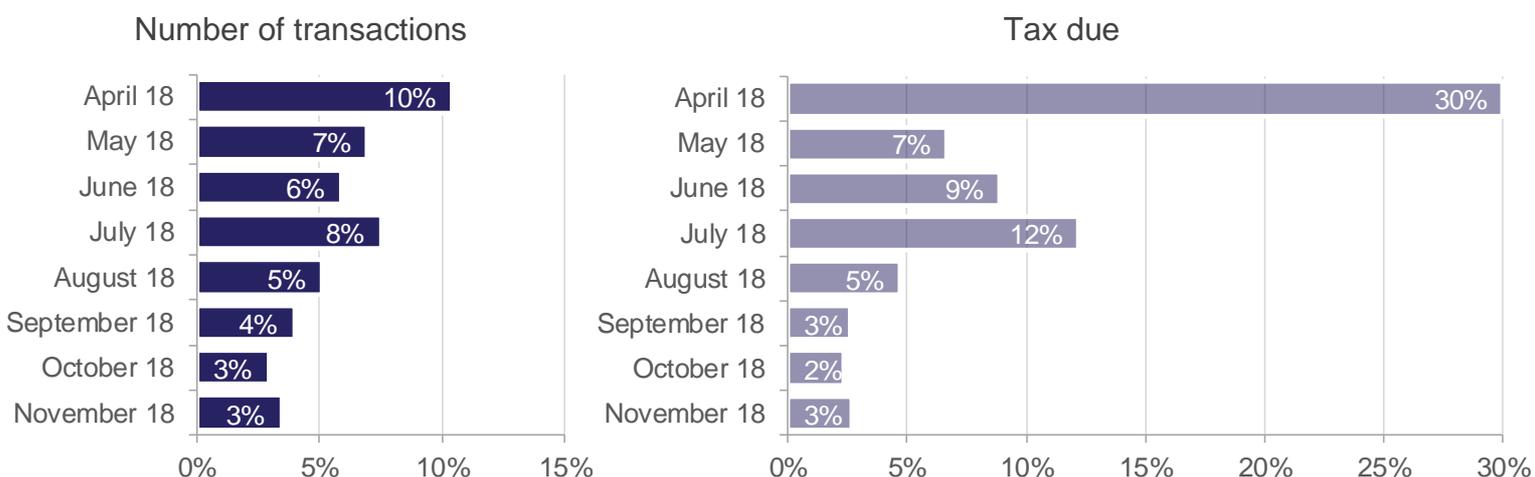
Analysis of revisions up to Quarter 3, October to December 2018

This Annex considers the effect of revisions made to Land Transaction Tax (LTT) statistics published by the Welsh Revenue Authority (WRA). This Annex is published for the first time alongside the [LTT statistical release](#) for Quarter 3 (October to December 2018) and will be updated quarterly in future.

It should be read in conjunction with that release to explain some of the terms used. An understanding of ‘tax due’, ‘effective date’, ‘main rate residential’, ‘higher rates residential’, and ‘refunds for higher rates’ is assumed here. The analysis shows:

- initially published estimates of the transactions and tax due, by month (based on effective date).
- how much these initial estimates were revised when updated statistics were published one month and then two months later (the second and third estimates respectively).¹

Chart 1: Percentage change between the first and second estimates, by month (effective date)



¹ For example, three estimates for October 2018 have been published. We published the first estimate on 19 November, published the second estimate on 17 December and the third estimate on 31 January.

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[This Annex is also available in Welsh](#)

Chart 1 shows that higher levels of revisions can generally be seen in the earlier months that the WRA began collecting LTT. This is particularly the case for the tax due for transactions with an effective date in April 2018, where there was a 30 per cent increase in the estimate of tax due (from the first to the second estimate for the month). A larger revision in April was expected because the familiarity of the system to users would have been lower, and also because an earlier cut-off date in the following month was used to extract the data. Nevertheless the 30 per cent figure in terms of tax due is considerably higher than the equivalent figure in respect of the number of transactions (10 per cent). It is explained by a few larger transactions with an effective date late in April that were not reported to WRA until later in May (before the 30 day filing limit, but after the cut-off date for the April publication).

Chart 1 shows the levels of revisions have generally decreased over time. For transactions with an effective date in November 2018, there was just a 3 per cent increase seen in both the number of transactions and tax due, between the first and second estimate. This is likely to be due in part to an increasing familiarity with the system amongst solicitors and conveyancers completing the returns, and is consistent with a general decrease in the time taken for returns to be filed with the WRA over the same period (not shown in tables or charts).

There may also be seasonal effects in the data. For example, higher revisions were seen for the July 2018 estimates than the months around it. However, we will require at least another year's worth of data to properly assess any data seasonality.

The following Tables 1 and 2 show:

- published estimates of transactions and tax due for a particular month (first, second and third estimates);
- the percentage changes between these estimates.

Table 1: Estimates of reported notifiable transactions: all transactions (a)

Effective date (month)	First estimate	Second estimate	Third estimate	
	Number	Number	% change from first estimate	% change from second estimate
April 18	3,940	4,350	10%	4,370
May 18	4,450	4,760	7%	4,790
June 18	5,090	5,390	6%	5,420
July 18	4,930	5,300	8%	5,310
August 18	5,660	5,950	5%	5,970
September 18	4,790	4,980	4%	4,990
October 18	5,460	5,620	3%	5,630
November 18	6,090	6,300	3%	
December 18	5,360			

(a) Transaction numbers in this table have been rounded to the nearest 10 transactions.

Table 2: Estimates of tax due on reported notifiable transactions: all transactions (a)

Effective date (month)	First estimate	Second estimate		Third estimate	
	Tax due (£ in millions)	Tax due (£ in millions)	% change from first estimate	Tax due (£ in millions)	% change from second estimate
April 18	12.0	15.6	30%	15.5	-1%
May 18	13.5	14.4	7%	14.3	-1%
June 18	18.0	19.6	9%	19.7	1%
July 18	19.7	22.1	12%	22.0	0%
August 18	19.1	20.0	5%	19.8	-1%
September 18	19.4	19.9	3%	20.2	2%
October 18	21.3	21.8	2%	21.7	0%
November 18	22.7	23.3	3%		
December 18	21.4				

(a) Tax due in this table has been rounded to the nearest £0.1 million.

Tax due amounts are shown net of any refunds claimed made for residential purchases at higher rates (see the statistical release that is published alongside this Annex).

Relatively small changes are seen between the second and third estimates for a month. In general, this is also the case for the third and later estimates for a month (not shown in the tables). However, falls may be seen in the second, third and later estimates of tax due for a particular month. This is because the data are shown net of any refunds for higher rate residential transactions. These refunds may be claimed several years after the effective date of the original transaction, and are analysed in the main LTT statistical release which is published alongside this Annex.

In future, we may consider applying a grossing factor to the first estimates for a particular month. This may help reduce the revisions required to the first estimate for a month. With the volatility shown in the data to date, it is likely we will need several years of LTT data in order to calculate appropriate grossing factors.

The diagram on the next page explains the timing of statistics relating to LTT.

Breakdown for residential and non-residential transactions

Tables 1a to 1c and Tables 2a to 2c on the following pages show the effect of revisions to data on residential transactions (main rate and higher rate) and non-residential transactions.

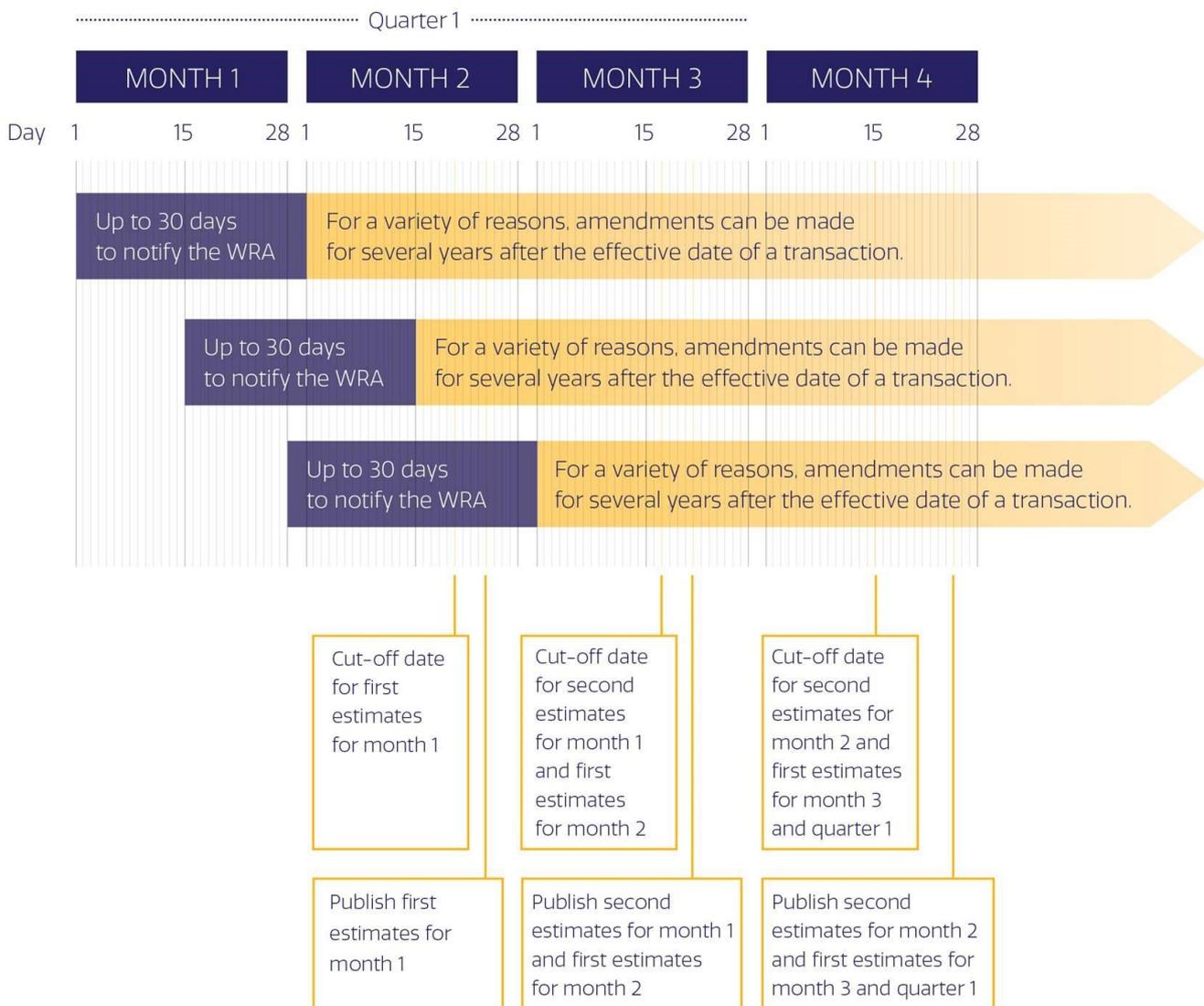
In general, larger revisions are seen in the data on non-residential transactions than for residential transactions. This reflects the more volatile nature and often larger size of non-residential transactions.

Timing of Official Statistics for Land Transaction Tax

The diagram below outlines the timescales for reporting transactions subject to Land Transaction Tax (LTT) to the Welsh Revenue Authority (WRA); and the impact this has on the timing of official statistics.

The three bars below represent examples of transactions each with different effective dates. The first bar shows where the effective date of the transaction (usually the completion date) is day 1 of month 1, the second bar has an effective date of day 15 of month 1, and the third bar is day 28 of month 1.

The diagram highlights that transactions which occur later in the month may not be included in the first estimates for the month 1, due to the 30 day time period for notification to the WRA and the cut off date to allow timely statistics.



Publication timing

Cut-off date for estimates: 3rd Monday of the month

Monthly statistics are published on Friday in the same week

Quarterly statistics are published on Thursday in the following week

Table 1a: Estimates of reported notifiable transactions: main rate residential (a)

Effective date (month)	First estimate	Second estimate	Third estimate	
	Number	Number	% change from first estimate	% change from second estimate
April 18	2,640	2,870	9%	2,880 0%
May 18	3,080	3,240	5%	3,260 1%
June 18	3,570	3,760	5%	3,780 1%
July 18	3,420	3,640	6%	3,660 1%
August 18	4,020	4,190	4%	4,220 1%
September 18	3,400	3,510	3%	3,510 0%
October 18	3,770	3,840	2%	3,850 0%
November 18	4,320	4,450	3%	
December 18	3,760			

(a) Transaction numbers in this table have been rounded to the nearest 10 transactions.

Table 1b: Estimates of reported notifiable transactions: higher rate residential (a)

Effective date (month)	First estimate	Second estimate	Third estimate	
	Number	Number	% change from first estimate	% change from second estimate
April 18	920	1,000	9%	1,000 0%
May 18	1,000	1,080	8%	1,080 0%
June 18	1,130	1,180	4%	1,180 0%
July 18	1,120	1,190	6%	1,180 -1%
August 18	1,210	1,260	4%	1,240 -2%
September 18	1,000	1,020	2%	1,020 0%
October 18	1,160	1,200	3%	1,190 -1%
November 18	1,280	1,320	3%	
December 18	1,090			

(a) Transaction numbers in this table have been rounded to the nearest 10 transactions.

Table 1c: Estimates of reported notifiable transactions: non-residential (a)

Effective date (month)	First estimate	Second estimate	Third estimate	
	Number	Number	% change from first estimate	% change from second estimate
April 18	380	480	26%	480 0%
May 18	360	440	22%	450 2%
June 18	390	450	15%	470 4%
July 18	390	470	21%	480 2%
August 18	440	500	14%	510 2%
September 18	390	450	15%	460 2%
October 18	540	580	7%	580 0%
November 18	490	530	8%	
December 18	510			

(a) Transaction numbers in this table have been rounded to the nearest 10 transactions.

Table 2a: Estimates of tax due on reported notifiable transactions: main rate residential (a)

Effective date (month)	First estimate	Second estimate		Third estimate	
	Tax due (£ in millions)	Tax due (£ in millions)	% change from first estimate	Tax due (£ in millions)	% change from second estimate
April 18	3.4	3.9	15%	3.8	-3%
May 18	4.3	4.5	5%	4.5	0%
June 18	6.7	6.9	3%	7.0	1%
July 18	6.1	6.5	7%	6.6	2%
August 18	8.0	8.2	2%	8.4	2%
September 18	6.8	7.1	4%	7.1	0%
October 18	7.1	7.1	0%	7.2	1%
November 18	7.8	8.1	4%		
December 18	6.8				

(a) Tax due in this table has been rounded to the nearest £0.1 million.

Table 2b: Estimates of tax due on reported notifiable transactions: higher rate residential (a)

Effective date (month)	First estimate	Second estimate		Third estimate	
	Tax due (£ in millions)	Tax due (£ in millions)	% change from first estimate	Tax due (£ in millions)	% change from second estimate
April 18	5.2	5.7	10%	5.7	0%
May 18	5.8	6.3	9%	6.2	-2%
June 18	6.7	6.9	3%	6.9	0%
July 18	7.3	7.7	5%	7.6	-1%
August 18	7.8	8.1	4%	7.8	-4%
September 18	7.2	7.2	0%	7.2	0%
October 18	7.8	8.1	4%	7.9	-2%
November 18	9.7	9.8	1%		
December 18	7.4				

(a) Tax due in this table has been rounded to the nearest £0.1 million. The amounts shown are the total of both the main and higher rate components of these transactions (equivalent to the fourth column of data in table 1b of the statistical release published alongside this Annex).
Figures are shown net of any refunds claimed made for residential purchases at higher rates.

Table 2c: Estimates of tax due on reported notifiable transactions: non-residential (a)

Effective date (month)	First estimate	Second estimate		Third estimate	
	Tax due (£ in millions)	Tax due (£ in millions)	% change from first estimate	Tax due (£ in millions)	% change from second estimate
April 18	3.4	6.0	76%	6.0	0%
May 18	3.3	3.5	6%	3.5	0%
June 18	4.6	5.8	26%	5.9	2%
July 18	6.2	7.8	26%	7.8	0%
August 18	3.3	3.7	12%	3.7	0%
September 18	5.4	5.6	4%	5.9	5%
October 18	6.4	6.5	2%	6.6	2%
November 18	5.3	5.4	2%		
December 18	7.3				

(a) Tax due in this table has been rounded to the nearest £0.1 million.

Further information

This Annex should be read alongside the series of quarterly [LTT statistical releases](#), as the releases explain many of the terms used here. The LTT statistical releases also contain key quality information, describing how we assess the quality of LTT statistics, the trustworthiness and value of the statistics.

In addition, our [interim policy for publishing WRA official statistics](#) is now published. The policy outlines how WRA statistics follow the Code of Practice for Statistics. The policy describes our release practices, making revisions to and ensuring the quality of our statistics.

Feedback and enquiries

We welcome feedback and comments to develop our statistics. Please use the details below to get in contact with us.

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Next update

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